Halfway into a 'not so happy' 2022

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At the end of 2021 you would have noted many 'trends' pieces making their way online from various perspectives in the marketing, media and advertising world. Whether global or local articles, many authors tried their hands at 'predicting' the future in the coming months.

Despite the different trends, nothing could have prepared them for what would transpire in the first quarter of 2022.

Whilst this is not an attempt to predict what will happen in the preceding quarters of 2022 (clearly an impossible task for many), this is more a reflection of what has happened in the first three months of the year and the current implications for the media landscape, particularly with the end consumer in mind.

Just when we thought the South African consumer started to feel some respite from the 2-year post-Covid-19 catastrophe, the world felt the ripples of economic disruption as Russia invaded Ukraine on Thursday 24th Feb 2022. Economic recovery for the end consumer has once again come to a standstill as the Russia-Ukraine conflict has impacted not only the price of petrol, but the price of a variety of staples in our market, exacerbated further inflation and interest rate hikes. South African business owners are struggling with another bout of unexpected load-shedding, whilst their employees are having to fork out approximately R23 per litre at a time when businesses expect staff to physically travel back to work. To add insult to injury, South Africans are also required to pay more for electricity in the coming months. Every aspect of the consumers' monthly household budget has increased; petrol (transport costs), electricity, water & sanitation, education, groceries, entertainment, alcohol/tobacco and medicine, medical aid, or health services.

At the end of the day, what this means for advertisers is that every consumer is 'feeling the pinch' each month without very little, if any, disposable income on hand. Consumers are struggling to make ends meet; are having to make many more financial sacrifices to their monthly budgets, and unfortunately many more will have landed themselves into spiralling debt. It is not a pretty picture for South Africans.

With this context in mind, the media landscape is also under immense pressure and disruption at the moment. In addition to media agencies being put under the spotlight in recent times, there is no media channel or platform that isn't undergoing some sort of 'challenge' as we progress through 2022. And whilst there are too many to mention, digital and television (TV) highlight some of the 'challenges' in media that are gaining momentum.

Digital Disruption: it would appear that many advertisers are skewing their media budgets towards digital. This is a growing trend that continues to gain momentum year on year. It is important however to understand the dynamics of 'digital penetration' in South Africa. According to several different sources, the digital penetration in South Africa is approximately 70% as of January 2022. Staggering to think that so many South Africans (30%) still don't have access to the internet. What's perhaps not so obvious, is that of the 70% that do have 'internet access', most of these digital experiences are still very limited. What does 'very limited' mean? Whilst mobile data has become more affordable over time, it's still expensive for many consumers in our society. There's a reason why our mobile operators still offer R2 airtime! Most internet connections in South Africa are done on pre-paid airtime. In fact, 70% of (the highly sought after) LSM 7-10's who access the internet are on a prepaid contract (Maps March release – [fieldwork Oct 2020 – Sep 2021]).

Despite this reality, one can assume that a large portion of our digital campaigns are still designed for the 'uncapped' end-user experience. In addition to this complexity, we've seen several 'privacy-driven' initiatives that will continue to gain momentum in the digital realm. Whether it's an iOS security update, a cookie-less world or opt-in 'everything', the consumer isn't as bothered as the marketing or media industry. All they care about is 'What's in it for me?' whilst trying to make every megabyte count. For media practitioners who understand the fundamental (media) principles that drive brand growth, they won't feel threatened by this ensuing consumer privacy disruption. More and more, research shows the positive synergistic effects of using multiple media touchpoints in the media plan for optimal results. In fact, Google recently released an article proving this hypothesis. What we need is consumer research that informs the media ecosystem and not (just) a single media platform. But speaking of consumer research on a single media platform, TV viewing and measurement is about to undergo massive change(s).

As we've entered Q2 of 2022, a TV disruption that has affected (i) the end-consumer, (ii) the broadcaster(s) and (iii) the advertising industry, is the analogue switch-off (ASO) that has already begun. March 31 was the supposed deadline for the full ASO in South Africa. By all estimations, this means hundreds of thousands, if not millions, of TV viewers who still use an analogue aerial to watch TV, would have woken up on 1 April with a not-so-funny April fool's joke. Even though the deadline date has been moved out, the implications are far reaching and will continue throughout 2022. This will force many viewers to do whatever it takes to solve this uncomfortable reality. The options however, in today's TV/video landscape, are many. For the low end of the market, they can (i) apply to get their subsidised digital terrestrial TV (DTT) decoder at the nearest post office (ii) get OpenView, OVHD or StarSat installed, or (iii) choose from a number of the 'low-end' DStv packages available. And if you are more digitally privileged, there are a host of other services available that have accelerated since the start of Covid-19 with more global OTT services expected to roll-out in 2022. Whilst it is difficult to predict exactly how TV ratings will change in South Africa, this 'unnatural event' is bound to create massive changes to our current TV landscape. Those who reap the rewards from a fallout of this magnitude might well be the more commercial platforms (DStv, OpenView, YouTube, Netflix etc.). When the dust has settled on this rollout, this could be more of a marketing failure than a technological one. Are we allowing the more commercial and global competitors an opportunity to 'eat our lunch' because of our close-mindedness?

Data in distress

It could be argued that the best way to navigate through this disruption we currently see in media is to keep a close eye on the data, the research, the 'intel'. Unfortunately, that too is in a state of change and disruption. What (local) data sources in our industry are currently (i) accurate (ii) accessible (iii) up to date and (iv) consumer centric? Here are just a few, but all have their limitations:

Rams, Tams, Fusion, IAB, Maps, BrandMapp, BrandAtlas, TGI... among others.

If we are not careful and collaborative as an industry, we also might be doing more harm than good. Are we merely allowing other (global) research competitors to come in and provide better, faster, more accessible, and more encompassing solutions to answer our media research problems? To repeat the question again: *Are we allowing the more commercial and global competitors an opportunity to 'eat our lunch' because of our close-mindedness?*

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